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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

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AIR-SEA FORWARDERS, INC.	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Civil No. CV 81-4103 RAG (px)
	)	
AIR ASIA COMPANY LIMITED,	)	
	)	
AND E-SYSTEMS, INC.,	)	
	)	
Defendants.	)	

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DECLARATION OF JAMES H. TAYLOR,  
EXECUTIVE DIRECTOR,  
CENTRAL INTELLIGENCE AGENCY

JAMES H. TAYLOR hereby declares and says:

1. I presently serve as the Executive Director for the  
United States Central Intelligence Agency ("CIA") and have held

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this position since 1 July 1984. As such, I am responsible for acting on behalf of the Director of Central Intelligence (DCI) and the Deputy Director of Central Intelligence (DDCI) in the overall daily management of the Central Intelligence Agency, including, but not limited to, the coordination of component activities and the development and execution of the Agency's annual program. In order to carry out these responsibilities, I have been delegated all authorities vested in the DCI and DDCI except as prohibited by law or Agency regulation and policy. I make the following statements pursuant to my personal knowledge, information made available to me in my official capacity, and upon conclusions reached in accordance therewith.

2. I have been advised in general terms of the nature of and the various issues involved in the instant lawsuit and understand that it is predicated on an alleged breach of contract between two private corporations, Air-Sea Forwarders, Inc., and Air Asia Company, Ltd. I have been requested by counsel for the plaintiff to execute this declaration in order to clarify on the public record the issue of relationship, if any, between Air Asia Company, Ltd., and the Central Intelligence Agency.

3. Simply stated, Air Asia and its corporate predecessors, as well as its parent organization, Air America, were originally proprietaries of the U.S. Central Intelligence Agency. As the term is used herein, a proprietary is a

business entity which appears to the world to be a private company but which, in actuality, is directly owned or otherwise controlled by the United States and whose primary mission is to further American intelligence interests. Air Asia was organized as a private corporation and incorporated under the foreign investment laws of the Republic of China and Air Asia's stock was controlled by the CIA or its nominees and its operations were conducted in furtherance of United States foreign policy and national defense interests until 1974. On 31 January 1975, the CIA divested itself of all interest, ownership, control and direction of Air Asia by selling all outstanding shares of stock to E-Systems, Inc., a private corporation. Since that time, Air Asia has functioned as a wholly-owned subsidiary of E-Systems and has had no relationship whatsoever with the CIA.

4. Moreover, the parties should be advised further that the CIA had no part in, and indeed had no knowledge of, the termination of the contract between plaintiff and defendant which is the basis of this lawsuit until plaintiff subpoenaed CIA records in 1983.

5. I hereby declare under penalty of perjury that the foregoing is true and correct. Executed on this 12th day of April 1985.

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